

HARMON & SEIDMAN LLC
Christopher Seidman (SBN: 98884)
101 S Third Street, Suite 265
Grand Junction, CO 81501
Tel: (970) 245-9075
Fax: (970) 245-8086
Email: chris@harmonseidman.com

Alex Rice Kerr (SBN: 264821)
219 Vicksburg Street
San Francisco, CA 94114
Tel: (415) 230-4760
Email: alex@harmonseidman.com

Attorneys for Plaintiff Minden Pictures, Inc.

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

Minden Pictures, Inc.

Plaintiff,

vs.

Houghton Mifflin Harcourt Publishing
Company and R.R. Donnelley & Sons
Company,

Defendants.

Case No. CV 10-03212 SI

PLAINTIFF'S NOTICE AND MOTION
FOR PRELIMINARY INJUNCTION;
MEMORANDUM OF POINTS AND
AUTHORITIES

Date: November 4, 2010

Time: 9:00 a.m.

Place: Courtroom 10

Judge: Honorable Susan Illston

TABLE OF CONTENTS

NOTICE OF MOTION.....	5
RELIEF SOUGHT.....	5
INTRODUCTION	5
FACTS	6
STANDARD.....	9
ARGUMENT.....	9
I. PLAINTIFF IS LIKELY TO SUCCEED ON THE MERITS OF ITS CLAIMS FOR COPYRIGHT INFRINGEMENT	10
II. PLAINTIFF WILL SUFFER IRREPARABLE HARM WITHOUT INJUNCTIVE RELIEF ...	11
A. Minden, against its will, is being forced to “grant” licenses to HMH, having been stripped by HMH of the ability to control its copyrighted works	11
B. An injunction is needed to protect Minden from HMH’s unceasing criminal copyright infringements	13
III. THE BALANCE OF HARDSHIPS TO THE PARTIES FAVORS AN EQUITABLE REMEDY	14
IV. THE PUBLIC INTEREST WOULD BE SERVED BY A PRELIMINARY INJUNCTION	15
V. NO BOND IS REQUIRED	16
CONCLUSION.....	16

TABLE OF AUTHORITIES

CASES	PAGE(S)
<i>Am. Fed'n & Mun. Emples., Local 3190 v. Maricopa County Bd.</i> , 2007 U.S. Dist. LEXIS 18356 (D. Ariz. Mar. 13, 2007)	16
<i>Am. Trucking Ass'ns v. City of Los Angeles</i> , 559 F.3d 1046 (9th Cir. 2009)	9
<i>Apple Computer, Inc. v. Franklin Computer Corp.</i> , 714 F.2d 1240 (3rd Cir.1983)	15
<i>Apple Inc. v. Psystar Corp.</i> , 673 F.Supp.2d 943 (N.D. Cal. 2009)	15
<i>Chalfant v. Tubb</i> , 453 F. Supp. 2d 1308 (N.D. Okla. 2006)	10
<i>Conn. General Life Ins. Co. v. New Images of Beverly Hills</i> , 321 F.3d 878 (9th Cir. 2003)	16
<i>Designer Skin, LLC v. S & L Vitamins, Inc.</i> No. CV05-3699-PHX-JAT, 2008 WL 4174882 (D. Ariz. Sept. 5, 2008)	11, 15
<i>Doctor's Assocs., Inc. v. Distajo</i> , 107 F.3d 126 (2d Cir. 1997)	16
<i>eBay Inc. v. MercExchange, L.L.C.</i> , 547 U.S. 388 (2006)	11, 12
<i>Feist Publications, Inc., v. Rural Telephone Service Co., Inc.</i> , 499 U.S. 340 (1991)	10
<i>In re Microsoft Corp. Antitrust Litig.</i> , 333 F.3d 517, 534-35 (4th Cir. 2003)	10
<i>Marshal v. New Kids On The Block P'ship</i> , 780 F. Supp. 1005 (S.D.N.Y. 1991)	10
<i>MDY Indus. LLC v. Blizzard Entm't, Inc.</i> , 616 F. Supp. 2d 958 (D. Ariz. 2009)	15
<i>Microsoft Corp. v. Marturano</i> , No. 1:06cv1747 OWW GSA, 2009 WL 1530040 (E.D. Cal. May 27, 2009)	12, 15
<i>Momento, Inc. v. Seccion Amarilla USA</i> , No. C 09-1223 SBA, 2009 WL 1974798 (N.D. Cal. July 8, 2009)	14
<i>Mortgage Market Guide, LLC v. Freedman Report, LLC</i> , 2008 WL 2991570 (D.N.J.2008)	15
<i>Nelson-Salabes, Inc., v. Morningside Development, LLC</i> , 284 F.3d 505 (4th Cir. 2002)	10

1	<i>S.O.S., Inc. v. Payday, Inc.</i> ,	
2	886 F.2d 1081 (9th Cir. 1989)	10
3	<i>Smith v. Jackson</i> ,	
4	84 F.3d 1213 (9th Cir. 1996)	10
5	<i>Sun Microsystems, Inc. v. Microsoft Corp.</i> ,	
6	188 F.3d 1115, 1119 (9th Cir.1999).	9
7	<i>Wood v. Houghton Mifflin Harcourt Publishing Company, et al.</i> ,	
8	F.Supp.2d 1230 (D. Colo. 2008).....	10, 11, 14
9	STATUTES	
10	17 U.S.C. § 106.....	5, 6, 10, 12
11	17 U.S.C. § 502.....	5, 9, 16
12	17 U.S.C. § 506.....	9, 13, 15
13	18 U.S.C. § 2319.....	13
14	TREATISE	
15	David Nimmer, <i>Nimmer on Copyright</i>	10, 12

NOTICE OF MOTION

PLEASE TAKE NOTICE that on November 4th, at 9:00 a.m., or as soon thereafter as the matter may be heard, before the Honorable Susan Illston, in the United States District Court, Northern District of California, 450 Golden Gate Avenue, San Francisco, California, Plaintiff will move the Court for a preliminary injunction.

RELIEF SOUGHT

Pursuant to Section 502(a) of Title 17 of the Copyright Act, Plaintiff Minden Pictures, Inc. (“Minden”) hereby moves the Court to issue a preliminary injunction to prevent copyright infringements by Defendant Houghton Mifflin Harcourt Publishing Company (“HMH”). Specifically, Plaintiff requests a preliminary injunction against Defendant and anyone working in concert with it from future unauthorized copying, selling, or distributing Plaintiff’s photographs described in the Complaint (“Photographs”) and all other photographs whose copyrights Plaintiff owns. This request does not seek to retrieve from schools already distributed infringing publications; Minden modestly moves to enjoin HMH from *future* copying, selling, and distributing products containing unauthorized copies of Minden’s copyrighted works.

INTRODUCTION

A preliminary injunction is warranted because HMH flatly refuses to stop infringing the works of Minden and many other photographers. For years after being repeatedly sued for its infringing practices, HMH continues to systematically overprint license limits for its financial gain. More than 35 copyright infringement suits have been brought against it since 2005, all for violating license limits as alleged here, yet HMH still has not established a method for monitoring its uses of licensed photographs so that it can ensure compliance with license limits.¹

HMH takes the position that if its infringements are discovered, it need only pay damages. This remedy, however, imposes untenable and unrecoverable costs on Minden to continuously monitor and sue HMH,² denies a copyright holder the fundamental, statutory right to control its creative work,³ and compels Minden to accept the role of continuing victim of criminal copyright infringement.⁴

¹ See Exhibit C, Declaration of Alex Rice Kerr (“Kerr Decl.”).

² Exhibit A, Declaration of Richard L. Minden (“Minden Decl.”).

FACTS

Minden Pictures, Inc. is a stock photography agency located in Watsonville, California. HMH is the largest U.S. textbook publisher, located in Boston, Massachusetts. Between 1996 and 2009, HMH requested, and Minden sold, limited licenses authorizing HMH to copy and print photographic images in HMH's educational publications. Minden expressly defined the number of permissible copies, image size, distribution area and/or duration for each publication, and was paid accordingly.⁵

HMH habitually disregarded the license limits without notice or compensation to Minden. HMH has admitted that it caused numerous textbooks referenced in Plaintiff's Complaint to be printed in excess of quantities specified in the licenses:⁶

1. "HMH admits that it caused to be printed more than 100,000 copies of *Biology: Principles & Exploration* © 1998 containing the images described in rows 2 to 3 of Exhibit 1A to the Complaint."⁷ Plaintiff's license was limited to a print run "under 100,000."⁸
2. "HMH admits that it caused to be printed more than 60,000 copies of *World Geography Today* © 2000 containing the images described in rows 40 to 41 of Exhibit 1A to the Complaint."⁹ Plaintiff's license was limited to a print run of 60,000.¹⁰
3. HMH responded "Admitted" when asked to "[a]dmit that you caused to be printed more than 40,000 copies of *Harcourt Science Grade K* © 2000 containing the image described in row 79 of Exhibit 1A to the Complaint."¹¹ Plaintiff's license was limited to a print run of under 40,000.¹²
4. "HMH admits that it caused to be printed more than 100,000 copies of *Harcourt Science Grade 1* © 2000 containing the images described in rows 48 to 50 of

³ See 17 U.S.C. § 106(a) (copyright owner has the exclusive right to copy and to authorize copying of the work); 17 U.S.C. § 501(a) ("anyone who violates any of the exclusive rights of the copyright owner as provided by sections 106 . . . is an infringer of the copyright . . .").

⁴ See 17 U.S.C. § 506(a)(1) ("Any person who willfully infringes a copyright shall be punished [for criminal infringement under section 18 U.S.C. § 2319], if the infringement was committed-- (A) for purposes of commercial advantage or private financial gain...")

⁵ See Exhibit A, Minden Decl.

⁶ Exhibit B to Motion, HMH Sept. 28, 2010, Responses to Plaintiffs' Requests for Admissions in *Minden Pictures, Inc. v. Houghton Mifflin Harcourt Publishing Co., et al.*, Case No. CV 10-03212 SI.

⁷ Exhibit B, request no. 1.

⁸ Exhibit A, Minden Decl., and Exhibit 1 thereto, Invoice No. 160007.

⁹ Exhibit B, request no. 3.

¹⁰ Exhibit A, Minden Decl., and Exhibit 2 thereto, Invoice No. 190042 and accompanying request letter.

¹¹ Exhibit B, request no. 5.

¹² Exhibit A, Minden Decl., and Exhibit 3 thereto, Invoice No. 190675.

- Exhibit 1A to the Complaint.”¹³ Plaintiff’s license was limited to a print run of 100,000.”¹⁴
5. “HMH admits that it caused to be printed more than 100,000 copies of *Harcourt Science Grade 2* © 2000 containing the images described in rows 52 and 53 to 55 of Exhibit 1A to the Complaint.”¹⁵ Plaintiff’s license was limited to a print run: under of 100,000.”¹⁶
6. “HMH admits that it caused to be printed more than 100,000 copies of *Harcourt Science Grade 3* © 2000 containing the images described in rows 58 to 61 of Exhibit 1A to the Complaint.”¹⁷ Plaintiff’s license was limited to a print run of 100,000.”¹⁸
7. “HMH admits that it caused to be printed more than 100,000 copies of *Harcourt Science Grade 4* © 2000 containing the images described in rows 82 to 83 of Exhibit 1A to the Complaint.”¹⁹ Plaintiff’s license was limited to a print run of under 100,000.”²⁰
8. “HMH admits that it caused to be printed more than 100,000 copies of *Harcourt Science Grade 5* © 2000 containing the images described in rows 71 and 75 to 78 of Exhibit 1A to the Complaint.”²¹ Plaintiff’s license was limited to a print run: of 100,000.”²²
9. “HMH admits that it caused to be printed more than 100,000 copies of *Harcourt Science Grade 6* © 2000 containing the images described in rows 63 to 70 of Exhibit 1A to the Complaint.”²³ Plaintiff’s license was limited to a print run of 100,000.”²⁴
10. HMH responded “Admitted” when asked to “[a]dmit that you caused to be printed more than 40,000 copies of *Algebra 1* by Larson containing the image described in row 103 of Exhibit 1A to the Complaint.”²⁵ Plaintiff’s license was limited to a print run of under 40,000.”²⁶
11. “HMH admits that it caused to be printed more than 100,000 copies of *Holt, Rinehart & Winston Earth Science National Edition* © 2001 containing the image described in row 134 of Exhibit 1A to the Complaint.”²⁷ Plaintiff’s license was limited to a print run of under 100,000.”²⁸

¹³ Exhibit B, request no. 6.

¹⁴ Exhibit A, Minden Decl., and Exhibit 4 thereto, Invoice No. 190670.

¹⁵ Exhibit B, request no. 7.

¹⁶ Exhibit A, Minden Decl., and Exhibit 5 thereto, Invoice No. 190671.

¹⁷ Exhibit B, request no. 8.

¹⁸ Exhibit A, Minden Decl., and Exhibit 6 thereto, Invoice No. 190672.

¹⁹ Exhibit B, request no. 9.

²⁰ Exhibit A, Minden Decl., and Exhibit 7 thereto, Invoice No. 190677.

²¹ Exhibit B, request no. 10.

²² Exhibit A, Minden Decl., and Exhibit 8 thereto, Invoice No. 190674.

²³ Exhibit B, request no. 11.

²⁴ Exhibit A, Minden Decl., and Exhibit 9 thereto, Invoice No. 190673.

²⁵ Exhibit B, request no. 12.

²⁶ Exhibit A, Minden Decl., and Exhibit 10 thereto, Invoice No. 191278.

²⁷ Exhibit B, request no. 14.

²⁸ Exhibit A, Minden Decl., and Exhibit 11 thereto, Invoice Nos. 200334, 191477 and accompanying request letters.

12. "HMH admits that it caused to be printed more than 100,000 copies of *Holt, Rinehart & Winston Life Science National Edition* © 2001 containing the image described in row 135 of Exhibit 1A to the Complaint."²⁹ Plaintiff's license was limited to a print run of under 100,000.³⁰
13. "HMH admits that it caused to be printed more than 250,000 copies of *Reading Grade 1* © 2001 containing the image described in row 200 of Exhibit 1A to the Complaint."³¹ Plaintiff's license was limited to student edition print run of 250,000.³²
14. "HMH admits that it caused to be printed more than 40,000 copies of *People, Places and Change* © 2001 containing the images described in rows 245 to 246 of Exhibit 1A to the Complaint."³³ Plaintiff's license was limited to a print run of "under 40,000."³⁴
15. "HMH admits that it caused to be printed more than 100,000 copies of *World Geography Today* © 2003 containing the images described in rows 406 and 409 to 417 of Exhibit 1B to the Complaint."³⁵ Plaintiff's license was limited to a print run of under 100,000.³⁶
16. HMH responded "Admitted" when asked to "[a]dmit that you caused to be printed more than 25,000 copies of *Holt: Elements of Literature Grade 9* containing the image described in row 426 of Exhibit 1B to the Complaint."³⁷ Plaintiff's license was limited to print run of 25,000.³⁸
17. "HMH admits that it caused to be printed more than 250,000 copies of *Houghton Mifflin MATH Grade 4* © 2005 containing the images described in rows 640 to 643 of Exhibit 1C to the Complaint."³⁹ Plaintiff's license was limited to a student edition print run of 250,000.⁴⁰
18. "HMH admits that it caused to be printed more than 100,000 copies of *Holt Science & Technology: Life Science National Edition* © 2005-2010 containing the images described in rows 731, 734, 737 to 741, 744 to 746 and 750 of Exhibit 1C to the Complaint."⁴¹ Plaintiff's license was limited to a "total print run of under 100,000."⁴²

²⁹ Exhibit B, request no. 15.

³⁰ Exhibit A, Minden Decl., and Exhibit 11 thereto, Invoice Nos. 200334, 191477 and accompanying request letters.

³¹ Exhibit B, request no. 16.

³² Exhibit A, Minden Decl., and Exhibit 12 thereto, Invoice No. 200728 and accompanying request letter.

³³ Exhibit B, request no. 17.

³⁴ Exhibit A, Minden Decl., and Exhibit 13 thereto, Invoice No. 201085.

³⁵ Exhibit B, request no. 20.

³⁶ Exhibit A, Minden Decl., and Exhibit 14 thereto, Invoice No. 203405 and accompanying request letter.

³⁷ Exhibit B, request no. 21.

³⁸ Exhibit A, Minden Decl., and Exhibit 15 thereto, Invoice No. 204179.

³⁹ Exhibit B, request no. 24.

⁴⁰ Exhibit A, Minden Decl., and Exhibit 16 thereto, Invoice No. 206394 and accompanying request letter.

⁴¹ Exhibit B, request no. 25.

⁴² Exhibit A, Minden Decl., and Exhibit 17 thereto, Invoice No. 207047 and accompanying request

1 HMH admitted to overrunning Minden's licenses in these eighteen publications. Because discovery
 2 has just commenced, this selection represents just a few of the hundreds of titles included in Plaintiff's
 3 claims. They are offered as examples so that this motion could be expeditiously filed and considered
 4 by the Court.

5 STANDARD

6 In the Ninth Circuit, to obtain a preliminary injunction, a plaintiff is required to show "either
 7 (1) a likelihood of success on the merits and the possibility of irreparable injury, OR (2) that serious
 8 questions going to the merits are raised and the balance of hardships tips sharply in its favor. These
 9 two alternatives represent 'extremes of a single continuum,' rather than two separate tests. The greater
 10 the relative hardship to the moving party, the less probability of success must be shown."⁴³ Here,
 11 Minden can show a high likelihood of success on the merits, which requires a lower showing of
 12 potential harm.

13 ARGUMENT

14 Section 502(a) of Title 17 of the Copyright Act specifically provides for injunctive relief in
 15 circumstances of continuing infringements: "Any court having jurisdiction of a civil action arising
 16 under this title may...grant...temporary injunctions on such terms as it may deem reasonable to
 17 prevent or restrain infringement of a copyright."⁴⁴ To be granted a preliminary injunction, a party
 18 "must establish that he is likely to succeed on the merits, that he is likely to suffer irreparable harm in
 19 the absence of preliminary relief, that the balance of equities tips in his favor, and that an injunction is
 20 in the public interest."⁴⁵ Minden meets each element and is entitled to a preliminary injunction,
 21 preventing HMH from continuing to infringe Minden's copyrights. Minden merely asks the Court to
 22 order what HMH refuses to do voluntarily—abide by the copyright laws of the United States, including
 23 17 U.S.C. § 506, which makes willful copyright infringement for commercial gain a felony crime
 24 under the circumstances of this case.

25 _____
 26 letter.

⁴³ *Sun Microsystems, Inc. v. Microsoft Corp.*, 188 F.3d 1115, 1119 (9th Cir.1999).

⁴⁴ 17 U.S.C. § 502(a).

⁴⁵ *Am. Trucking Ass'ns v. City of Los Angeles*, 559 F.3d 1046, 1052 (9th Cir. 2009)
 (quoting *Winter v. NRDC, Inc.*, 129 S. Ct. 365, 374 (2008)).

I. PLAINTIFF IS LIKELY TO SUCCEED ON THE MERITS OF ITS CLAIMS FOR COPYRIGHT INFRINGEMENT.

To establish copyright infringement, a plaintiff must show only (1) ownership of a valid copyright and (2) the infringer's unauthorized copying of protected elements of the copyrighted material.⁴⁶ Minden has submitted evidence that it owns the copyrights to the photographs it licensed to HMH.⁴⁷ Minden has also presented evidence that it licensed the right to copy its images in limited amounts.⁴⁸ Finally, Minden has presented evidence HMH exceeded the licensed limits by printing more than the specified amounts of these publications.⁴⁹

Where a defendant has no license or permission to copy a copyrighted work, any copying constitutes unauthorized copying under the Copyright Act.⁵⁰ Additionally, even if a defendant has been granted a license to copy, any copying in excess of a license's limitations constitutes unauthorized copying under the Copyright Act. "A copyright holder may grant a limited license for use of copyrighted material, and if the scope of the license is exceeded, the owner of the copyright may sue for infringement."⁵¹ "[A] copyright licensee can make himself a 'stranger' to the licensor by using the copyrighted material in a manner that exceeds either the duration or the scope of the license."⁵²

Under virtually identical facts, in *Wood v. Houghton Mifflin Harcourt et al*, Judge Ebel on summary judgment held that HMH committed copyright infringement by printing more than 200,000

⁴⁶ See *Feist Publications, Inc., v. Rural Telephone Service Co., Inc.*, 499 U.S. 340, 361 (1991); *Nelson-Salabes, Inc., v. Morningside Development, LLC*, 284 F.3d 505, 513 (4th Cir. 2002); *Smith v. Jackson*, 84 F.3d 1213, 1218 (9th Cir. 1996).

⁴⁷ See Exhibit A.

⁴⁸ *Id.*

⁴⁹ See Exhibit B.

⁵⁰ See 17 U.S.C. § 106(a) (copyright owner has the exclusive right to copy and to authorize copying of the work); 17 U.S.C. § 501(a) ("anyone who violates any of the exclusive rights of the copyright owner as provided by sections 106 . . . is an infringer of the copyright . . .").

⁵¹ *Chalfant v. Tubb*, 453 F. Supp. 2d 1308, 1317 (N.D. Okla. 2006) (citing *LGS Architects, Inc. v. Concordia Homes of Nevada*, 434 F.3d 1150, 1156 (9th Cir. 2006); *In re Microsoft Corp. Antitrust Litig.*, 333 F.3d 517, 534-35 (4th Cir. 2003)); see also *S.O.S., Inc. v. Payday, Inc.*, 886 F.2d 1081, 1087-88 (9th Cir. 1989) ("A licensee infringes the owner's copyright if its use exceeds the scope of its license. The critical question is not the existence but the scope of the license."; 3-10 Nimmer on Copyright § 10.15[A] ("[W]hen a license is limited in scope, exploitation of the copyrighted work outside the specified limits constitutes an infringement.")).

⁵² *Marshal v. New Kids On The Block P'ship*, 780 F. Supp. 1005, 1009 (S.D.N.Y. 1991).

1 copies of textbooks (actually 1,382,264 copies) when plaintiff's licenses were limited to 40,000
 2 copies.⁵³ The court stated:

3 Wood has also produced probative evidence that HMH exceeded the scope of
 4 the licenses issued for LOL 7, 2001 and 2002, SSRM 5, 2001, and SSRM 7,
 5 2002. In its responses to Wood's request for admissions, HMH admitted that it
 6 had published "200,000 or more copies" of both the 2001 and 2002 editions of
 7 LOL 7. (Id., Ex. 5, at 15 (response to request #38), 19 (response to request #50).)
 8 Wood further cites to HMH's inventory purchase records (id., Exs. 3, 4) as
 evidence that HMH published a total of 1,382,264 copies of LOL 7, 2001 and
 2002; 204,395 copies of SSRM 5, 2001; and 103,795 copies of SSRM 7, 2002
 (Dkt. #97 at 3). Therefore, for these four publications, Wood has met his
 burden of establishing that HMH exceeded the scope of its license and thus
 violated his copyright.⁵⁴

9 Like it did in the *Wood* case, here HMH infringed Minden's copyrights by exceeding the print
 10 limits in the licenses. Plaintiff has shown a high likelihood of success on the merits of its copyright
 11 infringement claims against HMH, meeting the first requirement for a preliminary injunction.

12 **II. PLAINTIFF WILL SUFFER IRREPARABLE HARM WITHOUT INJUNCTIVE RELIEF.**

13 **A. Minden, against its will, is being forced to "grant" licenses to HMH, having** 14 **been stripped by HMH of the ability to control its copyrighted works.**

15 The Supreme Court in *eBay Inc. v. MercExchange, L.L.C.* recently advised courts not to apply
 16 a presumption that plaintiffs have suffered irreparable harm because they have shown infringement.⁵⁵
 17 However, the Court also cautioned against the other extreme, presuming a plaintiff has not suffered
 18 irreparable harm and can be compensated by money damages simply because he has licensed the work
 19 in suit.⁵⁶ A recent, post-*eBay* case in this circuit, *Designer Skin, LLC v. S & L Vitamins, Inc.*,⁵⁷ found
 20 the plaintiff showed irreparable harm where (1) the defendant infringer copied and used photographs
 21 without permission and (2) there was a threat of future infringements. The court held, "[f]ailing to
 22 issue an injunction under the circumstances of this case would be tantamount to forcing [the plaintiff]
 23

24 ⁵³ 589 F. Supp. 2d 1230 at 1238-42 (D. Colo. 2008).

25 ⁵⁴ *Id.*

26 ⁵⁵ 547 U.S. 388, 391 (2006).

27 ⁵⁶ *Id.* at 393-94 (criticizing district court's categorical rule that the plaintiff who had been willing to
 license its patents "would be sufficient to establish that the patent holder would not suffer irreparable
 harm if an injunction did not issue"; but also criticizing appeals courts "general rule . . . that a
 permanent injunction will issue once infringement and validity have been adjudged.").

28 ⁵⁷ No. CV05-3699-PHX-JAT, 2008 WL 4174882 *4-5 (D. Ariz. Sept. 5, 2008).

1 to license its copyrighted images . . . thus rendering its right to exclude others from using its images
2 illusory. [The plaintiff] has established irreparable harm.”⁵⁸

3 Similarly here, HMH has shown clear evidence of past infringement and a threat of future
4 infringements. In parallel litigation and as will be shown in these proceedings, HMH has used
5 photographs belonging to others without permission for years and, if allowed, will continue to do so
6 despite the litigation history of this case and dozens more brought against HMH for the same
7 infringing conduct.

8 Continued infringement of Minden’s photographs precludes it from controlling the use of its
9 copyrighted works, contrary to a basic principle of copyright law set forth in 17 U.S.C. § 106. HMH’s
10 contention that it should be able to continue to infringe now, and in the future, and simply pay Minden
11 in the end, improperly creates a mandatory licensing scheme contrary to the Copyright Act. Chief
12 Justice Roberts in his concurring opinion in *eBay* alluded to this point, commenting that the “long
13 tradition” of courts granting injunctive relief upon a finding of infringement in the vast majority of
14 patent cases “is not surprising, given the difficulty of protecting a right to *exclude* through monetary
15 remedies that allow an infringer to *use* an invention against the patentee’s wishes—a difficulty that
16 often implicates the first two factors of the traditional four-factor test.”⁵⁹

17 A district court in this circuit recently discussed when injunctive relief is called for in a
18 copyright infringement case: When “there is continued threat that [the] Defendant will continue to
19 engage in this unlawful conduct [the] Plaintiff’s injury cannot be remedied by monetary compensation
20 alone. As such, an injunction is the only remedy available to limit the potential of future injury.”⁶⁰

21 Without an injunction, Minden will suffer irreparable harm because legal remedies are
22 insufficient to compensate him for HMH’s future infringements of its work. Minden is in the business

23
24 ⁵⁸ *Id.* The Court also discussed “the propriety of a rule that holds that past infringement plus the threat
25 of future infringement equals irreparable harm”, stating, “it seems clear to this Court that such a rule
26 would not run afoul of *eBay*’s directives” without expressly adopting such a rule. If that rule is
27 applied in this case, Minden has presented evidence to meet both elements.

28 ⁵⁹ 547 U.S. at 395. Although Justice Roberts commented on patent cases, the reasoning also applies to
copyright law. See Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* vol. 4

⁶⁰ §14.06[B][1][c] (noting that patents and copyrights share a similar right to exclude others from use).
Microsoft Corp. v. Marturano, No. 1:06cv1747 OWW GSA, 2009 WL 1530040, *8 (E.D. Cal. May
27, 2009).

1 of licensing photographs, not investigating and suing HMH for copyright infringement. Potential
 2 future damage awards for HMH's infringements do not make up for the disruption of Minden's
 3 business. And unreimbursed attorneys' fees and costs make the "continuous litigation" model a
 4 money-losing proposition for Minden.

5 **B. An injunction is needed to protect Minden from HMH's unceasing**
 6 **criminal copyright infringements.**

7 HMH's continued practice of willful infringement constitutes criminal copyright infringement
 8 within the meaning of 17 U.S.C. § 506, at the felony level. Despite knowledge of its wrongful and
 9 wide-spread use of Minden's copyrighted works without permission, HMH refuses to stop infringing.
 10 Section 506 of title 17 provides in relevant part:

11 (a) CRIMINAL INFRINGEMENT--

12 (1) IN GENERAL.--Any person who willfully infringes a copyright shall be punished as provided
 13 under section 2319 of title 18, if the infringement was committed--

14 (A) for purposes of commercial advantage or private financial gain...

15 Section 2319 of title 18 sets out the penalties for criminal infringement of a copyright:

16 (a) Any person who violates section 506(a) (relating to criminal offenses) of title 17 shall be
 17 punished as provided in subsections (b), (c), and (d) and such penalties shall be in addition to
 any other provisions of title 17 or any other law.

18 (b) Any person who commits an offense under section 506(a)(1)(A) of title 17--

19 (1) shall be imprisoned not more than 5 years, or fined in the amount set forth in this title, or
 20 both, if the offense consists of the reproduction or distribution, including by electronic means,
 21 during any 180-day period, of at least 10 copies or phonorecords, of 1 or more copyrighted
 works, which have a total retail value of more than \$2,500;

22 Can it be seriously argued that the ongoing victimization by a felony crime does not constitute
 23 irreparable harm? Must Minden watch the continued infringement of his intellectual property as
 24 Defendant drags out the litigation process, arguing all can be made well by money damages? Minden
 25 seeks injunctive relief to regain control of its copyrighted works and asks that the Court make HMH
 26 stop its illegal infringing practices now.

III. THE BALANCE OF HARDSHIPS TO THE PARTIES FAVORS AN EQUITABLE REMEDY.

An injunction prohibiting future copyright infringement would not create an untenable hardship for Defendant. HMH has frequently asserted in parallel cases that the images in its textbooks are fungible and can easily be replaced without pedagogical impact. For example, in *Wood*, involving similar textbooks at issue here, HMH argued, “the images are fungible elements that are not essential to what is actually being sold – a language arts curriculum.”⁶¹ HMH also noted it could easily remove and replace particular images from its products: “when plaintiff refused to grant HMH permission to re-use his images in a new edition of the Summer Success reading programs, those images were quickly replaced, and the programs remained on the market.”⁶² If HMH desires to continue selling the textbooks in which Minden’s images appear, HMH can simply substitute properly licensed photographs for the infringing ones.

The facts here are similar to another case in this district, *Momento, Inc. v. Seccion Amarilla USA*,⁶³ in which the defendant copied and printed the plaintiff’s Spanish-language advertisements for use in its Spanish-language telephone directories. The court required retrieval of all of the defendant’s infringing directories from distribution points and enjoined the distribution of infringing directories, noting,

[the defendant] SAUSA had notice of Momento’s infringement contentions as of the November 2009 cease and desist letter, before it printed the most current issue of the Oakland directory. Yet SAUSA proceeded with production. Clearly the injunction creates a hardship for SAUSA, but it is not an unreasonable one in light of SAUSA’s election to proceed when it was fully aware of its possible infringing conduct.⁶⁴

Minden is not seeking retrieval of textbooks from schools. It seeks the much more modest remedy of enjoining future printings and distribution of textbooks that infringe Minden’s copyrights. HMH cannot claim as “hardship” not being able to continue printing and selling textbooks it has long

⁶¹ See Exhibit D hereto, HMH Motion for Partial Summary Judgment in *Wood v. Houghton Mifflin Harcourt Publishing Company, et al.*, Civil Action No. 07-CV-01516-DME-BNB (D. Colo.), pp. 8-9).

⁶² *Id.*

⁶³ No. C 09-1223 SBA, 2009 WL 1974798 *5 (N.D. Cal. July 8, 2009).

⁶⁴ *Id.*

known contained infringed photographs. Further, several courts have noted there is no “harm” where the order would “merely require Defendant to comply with the Copyright . . . Act[.]”⁶⁵ As one court held, rejecting the argument that an injunction would have a “devastating effect” on the defendant’s business, “if that were the correct standard, then a knowing infringer would be permitted to construct its business around its infringement, a result we cannot condone.”⁶⁶

IV. THE PUBLIC INTEREST WOULD BE SERVED BY A PRELIMINARY INJUNCTION.

The public interest is better served by an order enjoining future infringements than by its denial. As a general matter, “the public interest in protecting the exclusive rights conferred upon a copyright holder will be served by issuing [equitable relief]. . .”⁶⁷ This is not a case where the parties are competitors and the public interest in “creativity and open competition” should be considered.⁶⁸ “Since Congress has elected to grant certain exclusive rights to the owner of a copyright in a protected work, it is virtually axiomatic that the public interest can only be served by upholding copyright protections and, correspondingly, preventing the misappropriation of the skills, creative energies, and resources which are invested in the protected work.”⁶⁹

Further, injunctive relief serves the public interest when it prevents criminal infringement under 17 U.S.C. § 506. As a court in this district noted in 2009,

a permanent injunction reasonably tailored to the circumstances of this litigation would serve no purpose other than to vindicate the legitimate rights of [the plaintiff] in its copyrights. Such equitable relief would not harm the interests of the public; rather, consistent with the policies underlying copyright protection, an injunction preventing [the defendant] from continuing to commit infringing and illegal, **if not criminal**, acts under the Copyright Act . . . would ensure that the public will continue to benefit from the creative fruits of [the plaintiff’s] labor.⁷⁰

Can it ever be in the public interest to permit criminal activity to continue unabated merely because it is committed by corporate executives ensconced in upscale high-rise offices rather than by ordinary

⁶⁵ *Microsoft*, 2009 WL 1530040 at *8 (citing *Capitol Records v. Zahn*, No. 3:06-0212, 2007 WL 542816, at *4 (M.D. Tenn. Feb. 16, 2007)).

⁶⁶ *Apple Computer, Inc. v. Franklin Computer Corp.*, 714 F.2d 1240, 1254-1255 (3rd Cir.1983); see also *Mortgage Market Guide, LLC v. Freedman Report, LLC*, 2008 WL 2991570, 44 (D.N.J.2008).

⁶⁷ *Designer Skin*, 2008 WL 4174882 at *6.

⁶⁸ *MDY Indus. LLC v. Blizzard Entm’t, Inc.*, 616 F. Supp. 2d 958, 974 (D. Ariz. 2009).

⁶⁹ *Microsoft*, 2009 WL 1530040 at *8 (quoting *Apple Computer, Inc., v. Franklin Computer Corp.*, 714 F.2d 1240, 1255 (3rd Cir. 1983)).

⁷⁰ *Apple Inc. v. Psystar Corp.*, 673 F.Supp.2d 943, 950 (N.D. Cal. 2009) (emphasis added).

1 street thieves down below?

2 It is not in the public's interest to require a copyright owner to bring to federal court multiple,
3 sequential copyright infringement cases against the same defendant for each batch of fresh
4 infringements that occur because injunctive relief is not ordered.

5 HMH knows how to properly license photographs for its publications. In the future, HMH
6 should be enjoined from printing any more infringing books. Minden should be permitted to regain
7 control of its copyrights going forward.

8 **V. NO BOND IS REQUIRED.**

9 Minden requests that the bond be set at zero because there is effectively no cost to Defendant
10 in ceasing, in the future, infringing Minden's copyrights. *See Conn. General Life Ins. Co. v. New*
11 *Images of Beverly Hills*, 321 F.3d 878, 882 (9th Cir. 2003) (A "district court has wide discretion in
12 setting the amount of a bond, and the bond amount may be zero if there is no evidence the party will
13 suffer damages from the injunction.") (internal citations omitted); *see also Doctor's Assocs., Inc. v.*
14 *Distajo*, 107 F.3d 126, 136 (2d Cir. 1997) (district court did not abuse discretion by issuing
15 preliminary injunctions without requiring moving party to post bonds where there was "no proof of
16 likelihood of harm" to the party enjoined).

17 Moreover, no bond should be required because there can be no legitimate claim to costs or
18 damages from even an erroneously issued injunction that requires nothing more than that HMH finally
19 stop infringing Minden's copyrights, as the Copyright Act requires of all who are law-abiding. *See*
20 *Am. Fed'n & Mun. Emples., Local 3190 v. Maricopa County Bd.*, 2007 U.S. Dist. LEXIS 18356, *58-
21 59 (D. Ariz. Mar. 13, 2007) (Because the "purpose of such a bond is to cover any costs or damages
22 suffered by the [enjoined party] arising from a wrongful injunction," the district court has discretion to
23 waive the bond requirement where the issuance of a preliminary injunction will not likely result in
24 damages to the enjoined party) (internal citations omitted).

25 **CONCLUSION**

26 Because granting an injunction would promote Minden's ability to enforce its copyrights, and
27 would stop HMH's future copyright infringements, and because Plaintiff satisfies all of the
28

1 requirements for issuance of a Preliminary Injunction permitted under 17 U.S.C. § 502, Minden
2 respectfully requests this Court issue a Preliminary Injunction which requires Defendant to
3 immediately stop infringing Minden's copyrights in its photographs and refrain from doing so in the
4 future.

5 DATED: October 1, 2010.

6
7 Plaintiff Minden Pictures, Inc.
by its attorneys,

8 s/ Christopher Seidman
9 Christopher Seidman
Harmon & Seidman LLC
10 PO Box 3207
Grand Junction, CO 81502
11 Telephone (970) 245-9075
Fax (970) 245-8086
12 Email: chris@harmonseidman.com

13 Alex Rice Kerr (SBN: 264821)
Harmon & Seidman LLC
14 219 Vicksburg Street
San Francisco, CA 94114
15 Telephone (415) 230-4760
Email: alex@harmonseidman.com
16
17
18
19
20
21
22
23
24
25
26
27
28

CERTIFICATE OF SERVICE

I hereby certify that on October 1, 2010 the foregoing **PLAINTIFF'S NOTICE AND
MOTION FOR PRELIMINARY INJUNCTION; MEMORANDUM OF POINTS AND
AUTHORITIES** was served via the CM/ECF System and by email to the counsel listed below:

Raoul Kennedy
SKADDEN, ARPS, SLATE,
MEAGHER & FLOM LLP
Four Embarcadero Center, Suite 3800
San Francisco, California 94111

James Russell Jackson
SKADDEN, ARPS, SLATE,
MEAGHER & FLOM LLP
russell.jackson@skadden.com
Four Times Square
New York, New York 10036

s/ Alex Kerr
Alex Kerr